



# **Agenda Report**

## **Fullerton City Council**

**MEETING DATE:** JUNE 2, 2026

**TO:** CITY COUNCIL

**SUBMITTED BY:** LAURA GIANNETTI-MERCER, ACTING DIRECTOR OF HUMAN RESOURCES

**PREPARED BY:** VERONICA GUTIERREZ, SENIOR HUMAN RESOURCES / RISK MANAGEMENT ANALYST

**SUBJECT:** NOTICE OF INTENT TO WITHDRAW FROM THE INDEPENDENT CITIES RISK MANAGEMENT AUTHORITY

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### **SUMMARY**

Fullerton belongs to the Independent Cities Risk Management Authority (ICRMA), a risk pool providing self-insurance, pooled coverage and other risk management products. The ICRMA agreement and by-laws require the City to provide notice of intent to withdraw to ICRMA by July 1st of the year preceding the withdrawal year.

### **PROPOSED MOTION**

Adopt Resolution No. 2026-XXX.

RESOLUTION NO. 2026-XXX – A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF FULLERTON, CALIFORNIA, AUTHORIZING SUBMISSION OF A NOTICE OF INTENT TO WITHDRAW FROM THE INDEPENDENT RISK MANAGEMENT AUTHORITY

### **ALTERNATIVE OPTIONS**

- Approve the Proposed Motion
- Other options brought by City Council.

### **STAFF RECOMMENDATION**

Staff recommends the Proposed Motion.

### **CITY MANAGER REMARKS**

None.

## PRIORITY POLICY STATEMENT

This item matches the following Priority Policy Statements:

- Fiscal and Organizational Stability
- Infrastructure and City Assets.

## FISCAL IMPACT

No fiscal impact associated with the requested action.

## BACKGROUND AND DISCUSSION

The City has been a member of the Independent Cities Risk Management Authority (ICRMA) risk pool 1993, obtaining ICRMA reinsurance coverage and other group purchase coverage during that time. ICRMA is a joint powers authority with member cities including Bell, Downey, El Monte, El Segundo, Fullerton, Glendora, Huntington Park, Inglewood, Lynwood, San Fernando, Santa Ana and South Gate.

ICRMA membership peaked at 35 member cities and experienced a steady decline in participation since 2009 with 12 member cities currently. Member city departures lead to increased insurance premiums and insurance-related expenses as remaining members must pay a greater share of administrative costs.

The number of member cities continues to decline and the cities of Glendora and El Segundo will exit the pool on July 1, 2026. Additionally, the cities of Huntington Park, Lynwood and San Fernando have filed a Notice of Intent to withdraw from ICRMA effective July 1, 2027. This withdrawal would reduce the number of member cities to seven and likely result in increased administrative costs as stated previously.

The ICRMA model historically provided stability but evolving market conditions, decrease in pool membership, higher exposure and claims experience have prompted the City to reassess participation in the pool. Staff initiated a comprehensive review of the City insurance and risk management portfolio to ensure cost-effective and thorough protection of assets and operations and will explore alternative options through other public risk-sharing pools and the commercial market and evaluate the most beneficial options for the City.

The City must follow ICRMA withdrawal protocols to ensure the City can timely exit from ICRMA if the study finds that joining a different risk pool would best serve the City. ICRMA by-laws require a member agency governing body adopt a resolution of intent to withdraw from ICRMA. This action does not commit the City to leave ICRMA but preserves the City's right to withdraw from the risk pool if better insurance options become available. The City must submit this resolution to ICRMA no later than June 30, 2026 for eligibility to withdraw from the pool when the City agreement with ICRMA expires on June 30, 2027. The City may rescind the notice before December 1, 2026 if the study finds remaining with ICRMA is the best option.

Attachments:

- Attachment 1 – Draft Resolution

cc: City Manager Eddie Manfro